

VZCZCXYZ0185
RR RUEHWEB

DE RUEHAC #0162/01 0782048
ZNR UUUUU ZZH
R 192048Z MAR 09
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC 7684
RUEHPNH/NVC PORTSMOUTH
INFO RUCNMER/MERCOSUR COLLECTIVE

UNCLAS ASUNCION 000162

SENSITIVE
SIPDIS

DEPT FOR CA/FPP, HOMELAND SECURITY PASS TO USCIS

E.O. 12958: N/A
TAGS: [CMGT](#) [KFRD](#) [ASEC](#) [CVIS](#) [CPAS](#) [PA](#)
SUBJECT: FRAUD SUMMARY Q ASUNCION

REF: 08 STATE 074840

¶1. (U) This cable is in response to an action request in paragraph 6 of retel.

COUNTRY CONDITIONS

¶2. (U) After the 35-year dictatorship of General Alfredo Stroessner and six decades of Colorado Party rule, Paraguayans elected former Roman Catholic bishop Fernando Lugo president in free and fair elections in April 2008. Lugo was inaugurated on August 15, 2008. He has vowed to fight endemic corruption, strengthen democratic institutions, generate jobs, invest in education and social needs, and renegotiate Paraguay's bi-national dams with Brazil and Argentina. While Lugo's popularity ratings remain high, the president is struggling to implement his agenda, which includes controversial judicial and land reforms, as well as an anti-corruption campaign.

¶3. (U) This landlocked country of 6.6 million people is hopeful for change, but endemic corruption, weak government institutions, difficult economic conditions and an inconsistent regulatory climate provide incentive and opportunity for consular fraud in Paraguay. Unemployment and underemployment are problems and the primary motivators for immigration to Argentina, Brazil and Spain.

¶4. (U) Paraguay is beginning to feel the effects of the global financial crisis. The economic downturn hit Spain particularly hard, and there are approximately 2,000-3,000 Paraguayans who want to come back to Paraguay. The Paraguayan government is trying to help its unemployed and stranded citizens return home, but the mechanisms have not yet been fully implemented.

¶5. (U) Paraguay has had great difficulty regulating commerce in its second largest city, Ciudad del Este, located in the Paraguay-Argentina-Brazil triQorder region. This region is noted for trafficking in arms, drugs, contraband, and persons. This region is also home to large foreign communities, especially Brazilian, Taiwanese, Korean, and Lebanese, many of whom retain their foreign nationality. Moreover, many Paraguayans receive foreign citizenship from Italy, Germany and Spain through their parents or grandparents, yet their economic and social situation in Paraguay cannot be compared to the situation of applicants who are presently living in the European Union.

¶6. (U) Civil documentation is lightly controlled in Paraguay. For example, birth and marriage certificates continue to be hand written in the interior of the country. Most documentation cannot be verified. Exchange-rate changes highly favorable to Paraguay have made travel to the U.S. a possibility for a larger cohort of Paraguayan society who tend to travel to Florida, New York, Colorado and Kansas.

¶7. (U) Post categorizes Paraguay as "low-fraud." The percentage of applicants refused non-immigrant visas from October 1, 2008 to March 1, 2009 was 14.18 percent (adjusted). The number of refusals has increased in the last six months.

NON-IMMIGRANT VISA FRAUD

¶8. (U) Non-immigrant visa (NIV) fraud is generally found in a manageable percentage of applications. It usually consists of fake or inflated employment letters and bank statements. Normally these are detected at intake in cases that are obvious candidates for refusal under section 214(b) of the Immigration and Nationality Act. When the Consular Officer suspects that the applicant is using forged legal documents or bank statements, the Consular Officer (who also acts as Fraud Prevention Manager) coordinates with the NIV pre-screener (who also acts as a Fraud Investigator) and the Regional Security Office (RSO) to bring in the local police to question the applicant about the provenance of the documents.

¶9. (U) The level of official corruption in Paraguay is very high. It is not difficult to obtain fraudulent official government documents by paying a small fee. Some immigration officials are also unscrupulous. A back-dated entry stamp indicating re-entry into Paraguay months or even years prior to the actual re-entry date can be easily obtained at the airport for amounts ranging from USD 20 to USD 100 depending on the negotiating expertise and contacts of the individual. In some cases, Paraguayans have obtained this service by sending their passports via courier from the U.S. to Paraguay to have them stamped without ever leaving the U.S. The risk of visa fraud is particularly high in some areas of the country, notably the towns of Caraguaty (approximately 60 miles from Asuncion) and Isla Pucu (approximately 52 miles from Asuncion), which are known for the number of inhabitants who have immigrated to the U.S., primarily to the New York and New Jersey areas.

¶10. (U) Post conducts statistically sound validation studies. Typically, Asuncion validation studies yield confirmed overstay rates of one to three percent.

IMMIGRANT VISA FRAUD

¶11. (U) Post's cases of immigrant visa (IV) fraud have historically centered on employment visas. These cases, which generally involve non-existent companies or positions for which the applicant did not have the required skills, have been most common among Korean applicants. Post has also detected and investigated fraudulent marriages entered into solely for the purpose of obtaining immigration benefits, and there have been several cases of falsified New Jersey birth and marriage certificates in marriage-based petitions.

DIVERSITY VISA FRAUD

¶12. (U) Post historically has not experienced this type of fraud, most likely due to the low number of Paraguayan diversity visa (DV) applicants.

ACS AND U.S. PASSPORT FRAUD

¶13. (U) The little ACS fraud that is known to or suspected by Post occurs when U.S. citizens register orphans as their own and subsequently apply for Consular Reports of Birth Abroad (CRBA) and passports, stating that the children are their biological offspring.

ADOPTION FRAUD

¶14. (U) Adoption related fraud is not apparent at Post. Paraguay generally does not permit adoption by foreigners who are not resident in the country.

USE OF DNA TESTING

¶15. (U) Post occasionally uses DNA testing in IV cases. Use of DNA testing in NIV cases is rarely done.

ASYLYM AND OTHER DHS BENEFIT FRAUD

¶16. (U) Post generally does not encounter asylum or other DHS benefit fraud.

ALIEN SMUGGLING, TRAFFICKING,
ORGANIZED CRIME, TERRORIST TRAVEL

¶17. (U) Paraguay is a source country for trafficked and smuggled aliens, but generally they are not destined for the United States. Trafficking and smuggling visible to the Consular Section would most likely involve fraudulent domestic employee visas. Post has stepped up scrutiny in these cases after seeing a series of suspicious cases close together. However, the cases were not related and the volume is quite low. Regarding possible terrorist and criminal travel, Post has begun applying increased scrutiny to applicants from exchange houses (casas de cambio) and import-export firms from the Tri-Border Area (TBA). In these cases, the scrutiny is not directed against visa fraud per se, but against the likely activities of the applicants if they come to the United States.

DS CRIMINAL FRAUD INVESTIGATIONS

¶18. (U) The Consular Section and RSO work very closely on every fraud case. Asuncion is a small mission with two Consular Officers and two DS agents. Cases are referred to RSO whenever the Consular Officer or the FPU LES suspect fraud.

HOST COUNTRY PASSPORT, IDENTITY DOCUMENTS
AND CIVIL REGISTRY

¶19. (U) The Paraguayan passport is a low-tech, but ICAO-compliant document. The books are produced under contract by the La Rue Company. The Crane Company now prints the country's currency. The passport features high-security paper, the applicant's fingerprint, and a secure laminate on the biographical page. The passport is particularly vulnerable to photo-substitution. The passport application process has good procedural integrity, but the human element is crucial and lacking in integrity on occasion. No automated record checks are utilized to vet passport applications. Furthermore, passports can be renewed long after their expiration without the bearer having to provide a new photograph, which also makes the Paraguayan passport vulnerable to use by impostors.

¶20. (U) Other civil documentation is very lightly controlled. Post requires most civil documents used to support consular applications to be legalized at a civil registry or at the Ministry of External Relations, depending on the document. Post, as a rule, does not consider civil documentation by itself to be absolute proof of the fact claimed by the document.

COOPERATION WITH HOST GOVERNMENT AUTHORITIES

121. (U) Cooperation with Government of Paraguay (GOP) authorities on consular fraud issues is generally good. However, prosecutors are sometimes hamstrung when the apparent victim of a fraud scheme - usually someone who has paid money to a visa "fixer" who has no connection to the Embassy and no intention of ever getting a visa for the victim - declines to go forward with a police report. That said, police cooperation has been very good; it helps the Embassy create an atmosphere that deters attempts at visa fraud.

AREAS OF PARTICULAR CONCERN

122. (U) Easy access to fraudulent documents is the primary area of concern, particularly when they are used to paper over possible illegal activity in Ciudad del Este and the Tri-border region. Internal controls in both the manufacture and issuance processes of birth certificates are virtually non-existent. Records are kept manually, and it is common practice in Paraguay to register a birth up to twenty years after the actual date of birth. Compounding this lack of internal controls is the unfortunate fact that a large percentage of the Civil Registry workforce is unpaid and therefore vulnerable to bribes.

STAFFING

Ernest J. Abisellan, Consul and Accountable Consular Officer
Olga Elena Bashbush, Vice-Consul and Fraud Prevention Manager
Marie France Liegard, NIV Assistant
Irma Liliana Casali, IV Assistant
Claudia Escobar, ACS Assistant
Jorge Arias, Fraud Investigator and NIV Assistant
Post notes initial CA and DS approval for a new ARSO-I position, and CA approval of a temporary ACS Assistant.

AYALDE